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## **MEMORANDUM**

**TO:** Child Care Providers

**FROM:** Office of Child and Family Services

**DATE:** August 3, 2021

**SUBJECT:** Child Care Provider American Rescue Plan Act (ARP) Stabilization Grants

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Congress approved the Child Care Stabilization Grants appropriated in the American Rescue Plan Act (ARP) (Public Law 117-2) signed into law on March 11, 2021. The nationwide funding includes \$23.975 billion in additional funding for the Child Care Development Block Grant (CCDBG). The funds will be used to provide grants to child care providers to assist in stabilizing child care across the nation. Maine received \$73 million in Child Care Stabilization Grant funding which has been obligated in its entirety towards direct grant payments. The Department of Health and Human Services (DHHS) Office of Child and Family Services (OCFS) will distribute the grants to child care providers to stabilize Maine's child care market.

The grants will be administered for 12-months with the first installment of payments to begin October 2021 through September 2022. All licensed child care providers and Child Care Subsidy Program (CCSP) license-exempt nonrelative providers are eligible to apply. The application will be on a rolling basis. Those programs approved will only be required to apply once.

Providers may apply for the first instalment of grants if they are providing direct child care by **September 1, 2021**. Future payments will be automatic. Programs with short-term closures due to their response to COVID-19 cases are eligible to apply. All licensed and CCSP license-exempt nonrelative child care providers who are open and providing direct care by September 1, 2021 are eligible to apply.

### **Eligibility Requirements**

Eligibility will be based on the following factors:

- Providers must be open and providing direct child care on a regular basis at time of the application.
- Programs must be in compliance with licensing rules.
- Programs must have a valid Vendor Code with OCFS.
  - For information on Vendor Codes contact Vickie Bussey at (207) 624-7909 or [Vickie.Bussey@maine.gov](mailto:Vickie.Bussey@maine.gov)
- All program staff must be active members in the Maine Roads to Quality.

- Register at [Home – MRTQ Registry \(mrtq-registry.org\)](http://mrtq-registry.org) or 1-888-900-0055 for assistance.
- Licensed programs must be active in the *Quality for ME* Quality Rating Improvement System (QRIS)
  - Apply for a *Quality for ME* certificate at [Quality Care \(qualityforme.org\)](http://qualityforme.org) or contact Vickie Bussey at (207) 624-7909 or [Vickie.Bussey@maine.gov](mailto:Vickie.Bussey@maine.gov)
- All owners, directors, and staff must have completed the State approved health and safety training within 90 days of hire.
  - [Online Training - MRTQ Registry \(mrtq-registry.org\)](http://mrtq-registry.org)
- The application period will open beginning in September and will continue as a rolling application until August 2022.
- Programs will only need to apply once.
- Providers must supply on the application their program's estimated current total monthly expenses.

### **Monthly Payment Totals**

Payments will be based on the following:

- Licensed capacity
  - \$100 per licensed slot per month
  - License-exempt, nonrelative providers will be reimbursed based on capacity of 2 slots
- Additional funds for higher quality levels
  - Step 1- \$50 per month
  - Step 2 - \$100 per month
  - Step 3- \$150 per month
  - Step 4- \$200 per month
- CCSP providers
  - \$150 per month
- Providing nontraditional hours of care
  - 6PM to 6AM or weekend hours will receive \$100 per month
- Staff bonuses
  - \$200 per staff per month and funds **must** be paid directly to staff
- Programs wishing to update their status on any of the above after initial approved application will be able to do so through self-reporting options. More details will follow prior to the open application period.
- The grant application will be posted online. Updates with the link to the application will be announced in the near future.
- Grants will be provided through a one-time application. Providers who do not complete the application by the deadline or are newly licensed after each monthly installment of the grant, will be eligible to apply for future payments. Updates and future enrollment

periods will be posted under the Child Care Subsidy section on the OCFS COVID-19 Response [website](#).

- Providers with multiple facilities must complete separate applications for **each** site.
- Grant funds are considered taxable income. Grant funds and staff bonuses will be subject to all state and federal tax. All questions regarding state and federal tax, programs should contact their financial professional/accountant.

### **Guidance for American Rescue Plan Act (ARP) Fund Spending**

Grant funds are meant to cover COVID-related costs for the following:

- Rent, utilities, facilities maintenance, and insurance
- Reduction in family cost (i.e. registration fees, weekly child care cost for private pay parents)
- Personal protective equipment (PPE), cleaning, and other health and safety needs
- Equipment and supplies
- Goods and services
- Mental health services
- Paying for past expenses
- Additional administrative expenses due to COVID-19
- COVID-19 testing and contact tracing
- Additional food cost due to COVID-19; and/or
- To prevent hardship due to closings in response to positive cases of COVID within programs or decreased enrollment
- Hazard pay or bonuses to staff.
  - Staff support can include but not limited to staff sign-on bonuses, current staff bonuses, increased wages, hazard pay or back pay from March 11, 2021 on.
  - Grant funds may be used to support staff not eligible for the individual grant staff bonuses (see below details).

### **Staff Bonus Guidance**

For the purposes of the OCFS ARP Stabilization Grants, staff eligible to receive the staff bonus are those staff that are providing direct care to children (excluding volunteers), owners, and directors.

- Staff bonuses will be included in the monthly payments.
- Payment totals will be \$200 per staff per month and funds **must** be paid directly to staff.
- Staff must be active registry members in the Maine Roads to Quality.
- All owners, directors, and staff must have completed the State approved health and safety training within 90 days of hire.
- Staff must be in compliance with licensing rules.
- Staff bonuses will be subject to all state and federal tax. Programs should contact their financial professional/accountant for all questions regarding state and federal tax.

Individuals receiving benefits should contact those programs regarding individual program rules and regulations for income requirements.

For audit purposes, receipts and records related to how funds are used must be retained by providers for a minimum of five (5) years and provided to OCFS upon request.

Providers who receive these grants may not use grant funds for costs that are reimbursed or compensated by other federal or state programs, including the Small Business Administration's Paycheck Protection Program (PPP), the Public Health and Social Services Emergency fund, or unemployment compensation.

**Stay Tuned!**

OCFS will be making regular updates and webinars to provide technical assistance on how to apply.

**For questions or more information please contact [ARPACildCareGrants.DHHS@Maine.gov](mailto:ARPACildCareGrants.DHHS@Maine.gov)**